

Webcast and Conference call

4 December 2014

3Q 2014 IFRS Results

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**CREDIT BANK
OF MOSCOW**

*From good to great –
one Bank*

Disclaimer

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Overview

Key Highlights

- #14 bank in Russia by total assets¹
- #4 privately owned bank in Russia by total assets¹
- Corporate banking, servicing over 15,000 active corporate banking clients²
- Retail banking, servicing over approx. 780,000 retail banking clients², primarily focusing on employees of corporate banking clients
- 59 offices and 33 cash offices, over 6,000 payment terminals and 800 ATMs in Moscow Area³
- Approx. 4,700 employees²
- Credit ratings: BB from Fitch, BB- from S&P, B1 from Moody's
- Shareholders' structure diversified with globally recognized international investors EBRD and IFC controlling 15% stake



Bank of The Year in Russia in 2014 by The Banker



Best Bank in Russia, Awards for Excellence 2014, by Euromoney magazine



Bank of The Year 2013 by Banki.ru



Source: Company data, IFRS financial statements

Notes:

1) INTERFAX-100 ranking as of 1 October 2014

2) As of 1 October 2014

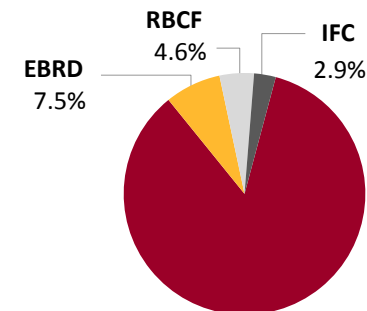
3) Moscow Area represents Moscow and the Moscow Region

4) Tier 1 Capital Ratio as of YE2012 is calculated according to Basel I

Key Financials

| Balance sheet (RUB bln) | 2012 | 2013 | 3Q2014 |
|---|--------|--------|--------|
| Total Assets | 308.7 | 454.2 | 496.4 |
| Gross Loans | 205.9 | 317.9 | 371.7 |
| Customer Deposits | 189.0 | 274.9 | 299.7 |
| Shareholder's Equity | 39.3 | 50.7 | 56.8 |
| Key Ratios | | | |
| NPL 90+ / Gross Loans | 1.0% | 1.3% | 2.6% |
| Tier 1 (Basel III) ⁴ | 13.4% | 10.2% | 10.8% |
| Income Statement (RUB bln) | 9m2012 | 9m2013 | 9m2014 |
| Net interest income (before provisions) | 8.8 | 11.8 | 17.6 |
| Net Income | 3.8 | 5.6 | 6.4 |
| Key Ratios | | | |
| RoAA | 2.0 | 2.2 | 1.8 |
| RoAE | 16.8 | 17.6 | 15.8 |
| Net Interest Margin | 5.2 | 5.0 | 5.4 |
| Cost / Income | 41.2 | 33.0 | 31.1 |

Supportive Shareholders



Roman I. Avdeev
85.0%

Key developments in 3Q2014 and up to date

Financial Highlights

- 3Q2014 IFRS net income increased by 13.2% on 3Q2013 to RUB 6,371 mln (USD 161.7 mln)
- Assets grew 9.3% reaching RUB 496,388 mln (USD 12,603.0 mln)
- The gross loan portfolio increased by 16.9% in 3Q2014 to RUB 371,680 mln (USD 9,436.7 mln)
- Non-performing loans (loans overdue more than 90 days) were up to 2.6% in 3Q2014 versus 1.3% for YE2013 due to growth of retail business share in the loan portfolio and deterioration of the financial conditions of one of the Bank's largest borrowers from the metallurgical sector
- High operational efficiency with RoAE at 15.8%, RoAA at 1.8% and Cost/Income ratio of 31.1%

Increasing importance of retail segment

- Gross loans to individuals grew by 26.5% in 3Q2014 up to RUB 123,796 mln (USD 3,143.1 mln)
- Share of retail loan portfolio is growing consistently being 33.3% as at 3Q2014 (30.8% as at YE2013)
- Retail deposits increased by 10.7% in 3Q2014 up to RUB 148,804 mln (USD 3,778.0 mln)
- 10th in Russia by retail deposits (Expert RA, as at 1 October 2014)

Capital position

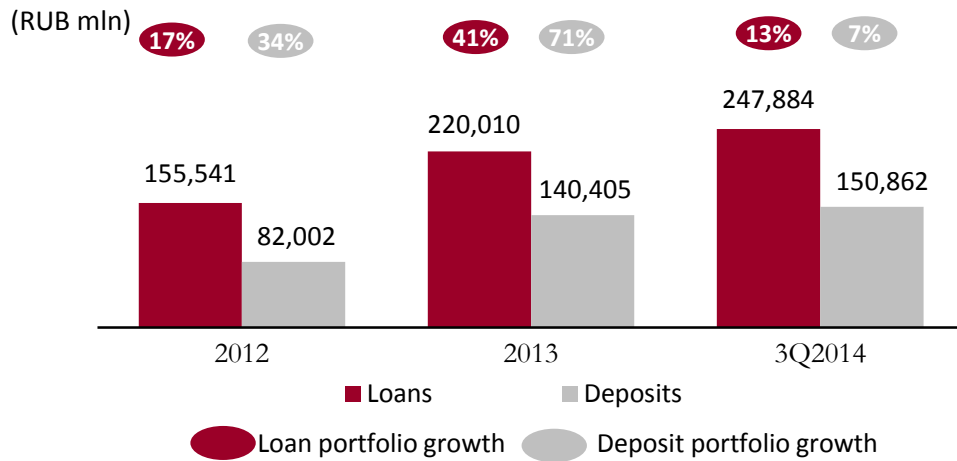
- Total capital according to Basel III standards amounted RUB 76,529 mln (USD 1,943.0 mln) as at 30 September 2014, with a capital adequacy ratio of 14.8% and Tier I ratio of 10.8%

Awards

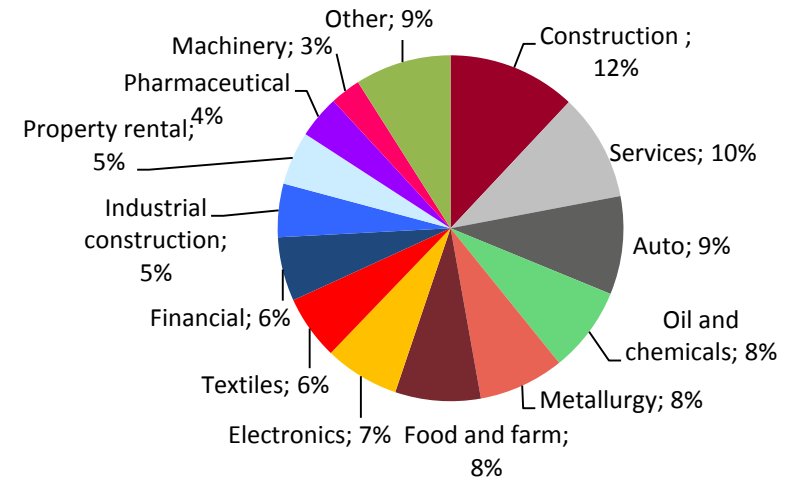
- In November 2014, the Bank was named the "Bank of the Year in Russia" in 2014 at the annual ceremony "Bank of the Year Awards 2014" held by The Banker (Financial Times group)
- In July 2014, the Bank was named "Best Bank in Russia" by the international magazine Euromoney for achievements in the financial sector as a part of the "Awards for Excellence 2014" ceremony

Corporate Banking: strong niche market player

Corporate loan (gross) and deposit portfolio dynamics¹



Corporate loans breakdown by industry¹ (3Q2014)

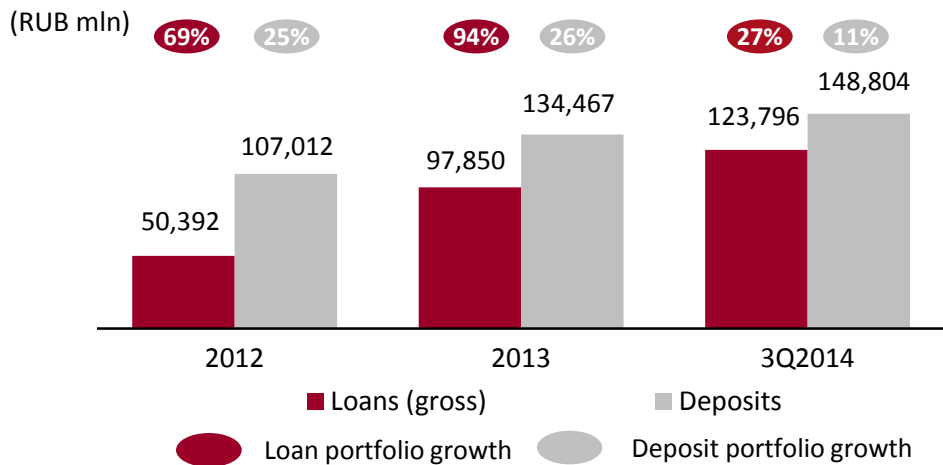


Highlights

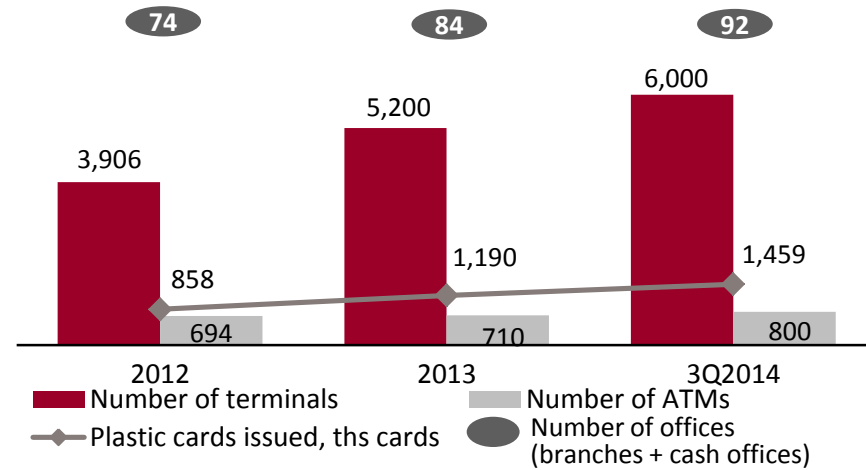
| Strong and Quality Client Base | Business Focused on Growth | Risk Management as Key Priority |
|--|--|--|
| <ul style="list-style-type: none"> Over 15,000 active corporate clients² Strategic focus on retail and wholesale trading sector Focus on large and medium sized corporates | <ul style="list-style-type: none"> Strategy and organisational structure designed to deliver above market growth Focus on increasing contribution of larger corporates | <ul style="list-style-type: none"> Well-diversified loan portfolio Focus on shorter term lending Synergies with cash handling business, enabling effective credit monitoring |

Retail Banking: retail expansion well underway

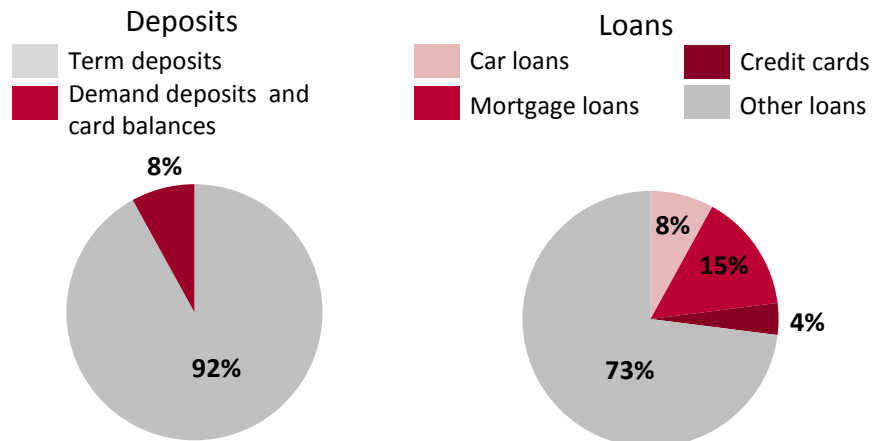
Retail loan (gross) and deposits portfolio dynamics



Network development



Breakdown by type



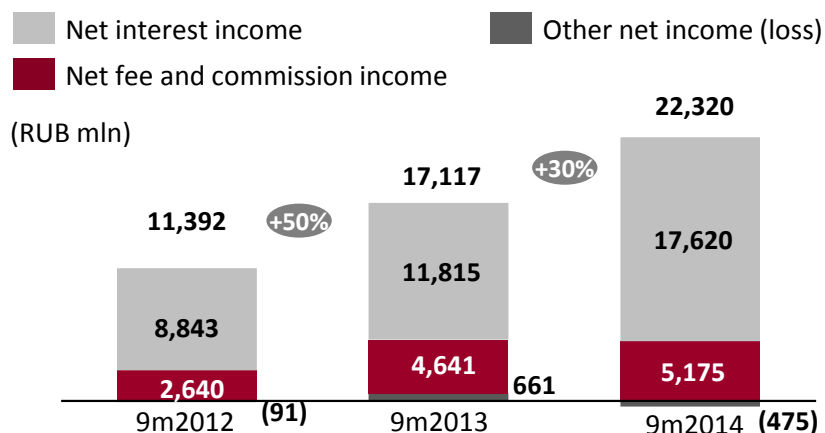
Key developments and strategy

- Retail banking share in the loan portfolio achieved **33%** as at 3Q2014
- Target market segments are consumer loans and mortgage loans
- Total number of retail customers is approx. **780** ths (approx. 640 ths as at YE2013)
- **59** branches and **33** cash offices in Moscow and Moscow Region as at 30 September 2014
- **10th** largest bank in retail deposits in Russia (Expert RA, as at 1 October 2014)

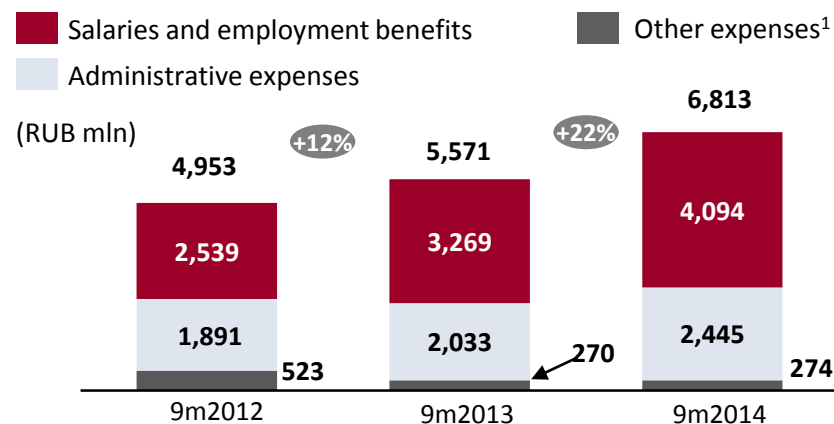
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Income and Expenses: CTI ratio of 31% driven by strong earnings and operational efficiency

Operating income



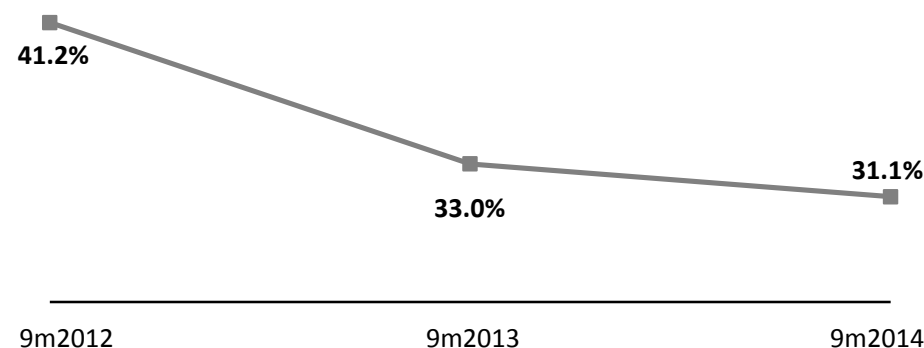
Operating expenses



Key developments

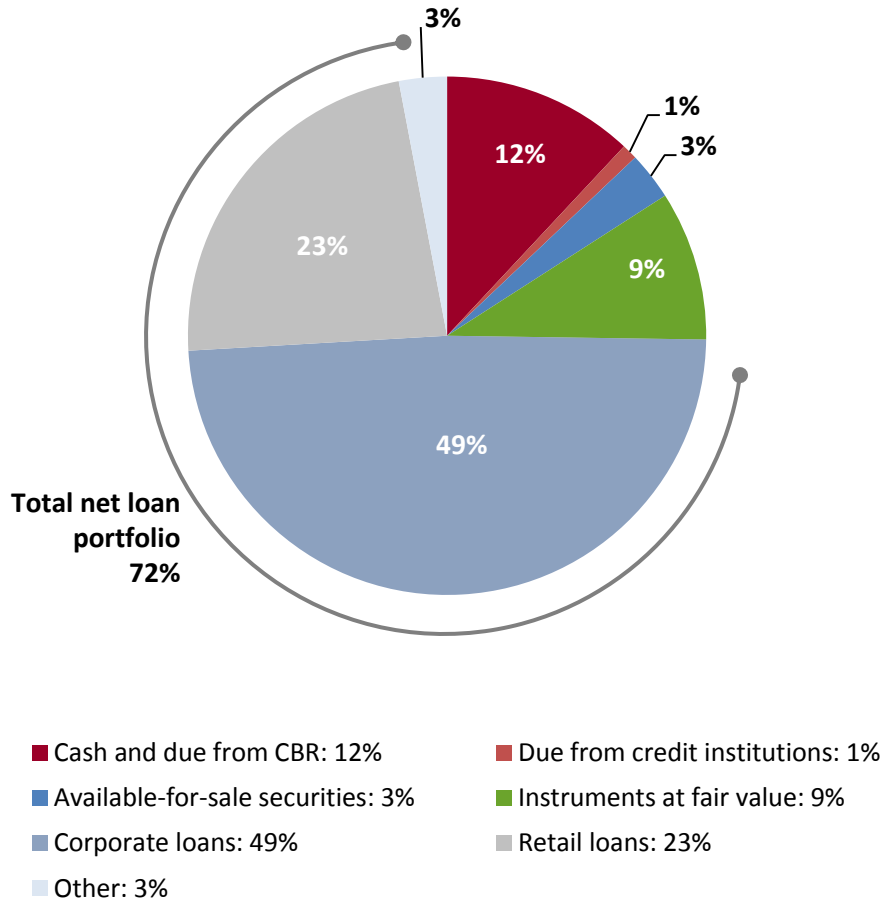
- Solid **NIM** of 5.4% as at 3Q2014 (5.0% as at 3Q2013)
- **RoAE** at a high level of 15.8% as at 3Q2014 (17.6% as at 3Q2013)
- **RoAA** is reduced to 1.8% as at 3Q2014 (2.2% as at 3Q2013)
- Loan portfolio sustainable growth (+16.9% in 3Q2014 and +54.4% in 2013) together with expanding retail lending are the main drivers of increase in net interest income
- Fee and commission income growth is based primarily on commissions from plastic cards operations, settlements and wire transfers and guarantees and letters of credit
- CTI of 31.1% is one of the lowest among peers

Cost-to-income (CTI)² ratio dynamics



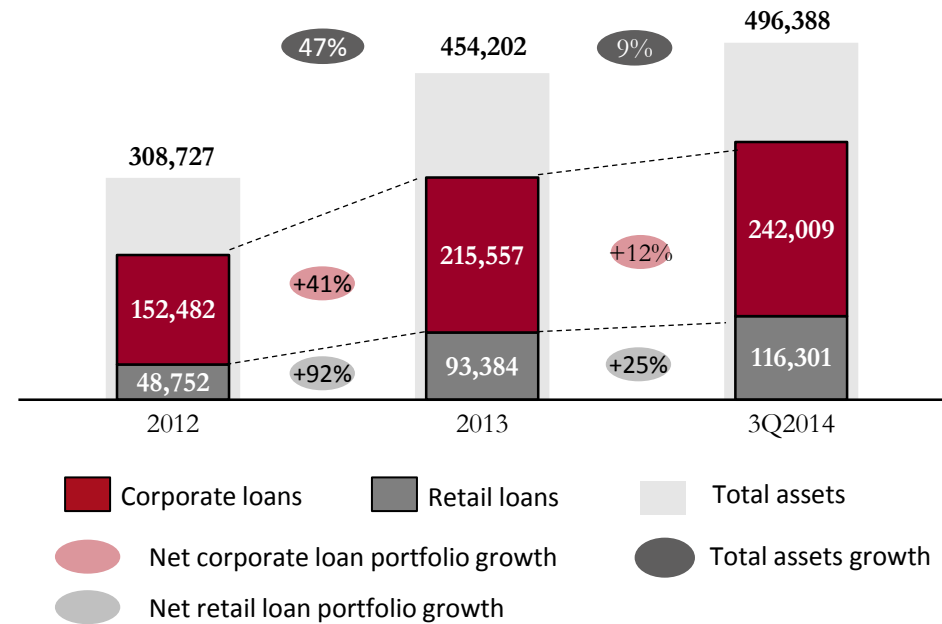
Assets: growing asset base with focus on high quality

Assets structure



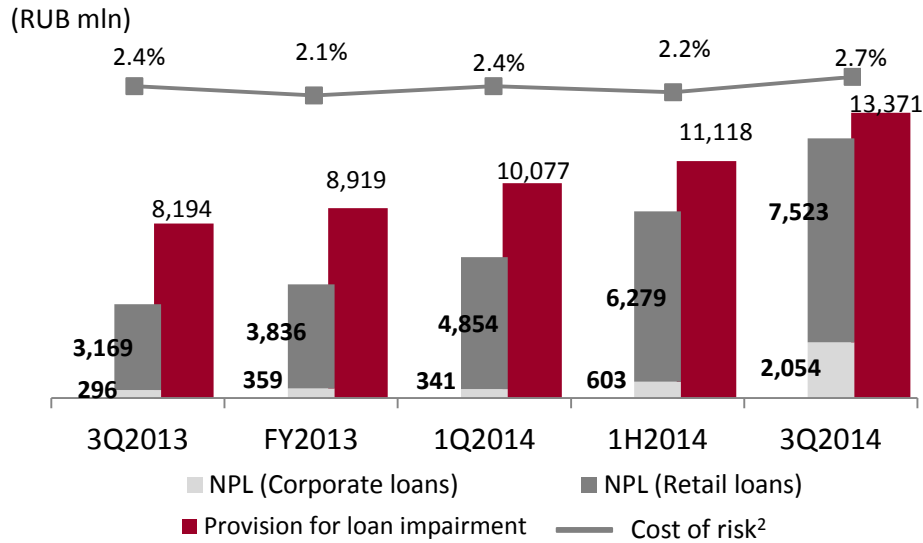
Assets and loan portfolio (net) dynamics

(RUB mln)

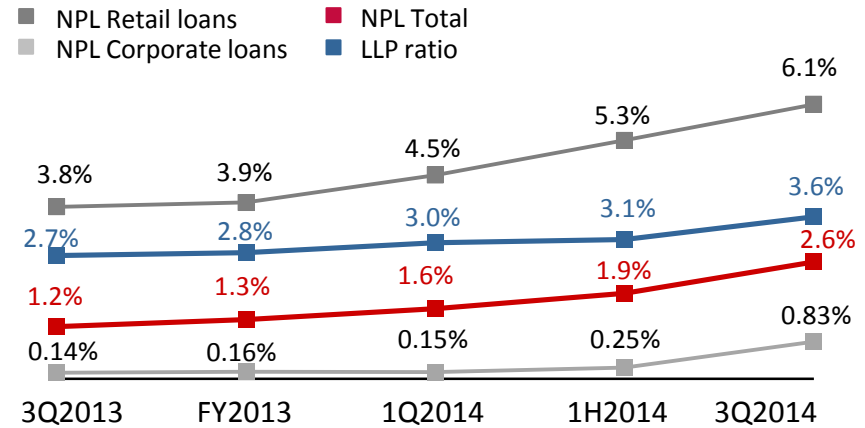


Loan Portfolio expands while retaining strong quality metrics

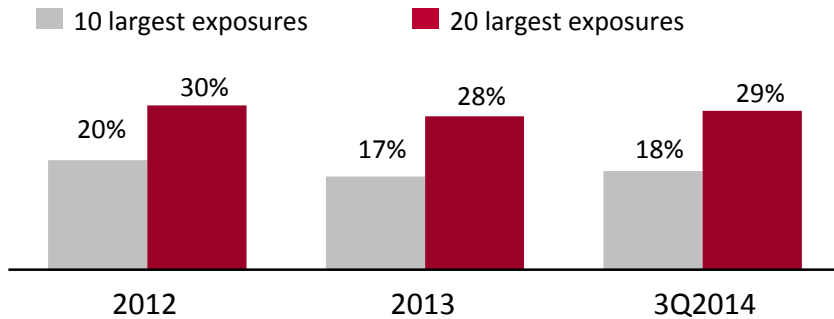
NPL¹ and Provisioning dynamics



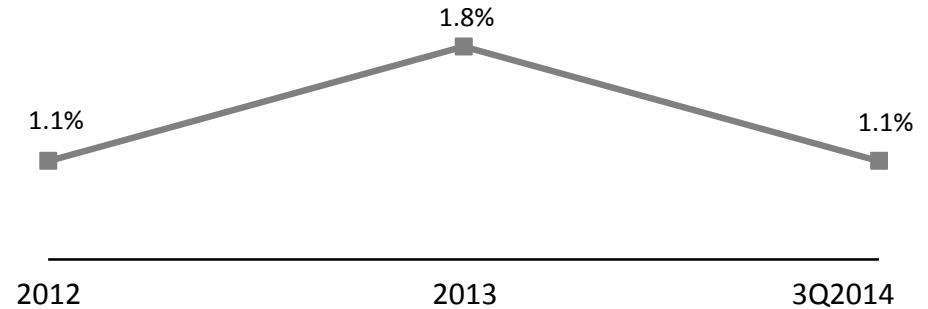
NPL³ and Provisioning ratio dynamics



Largest exposures



Related party lending (% of total equity)



Source: IFRS financial statements

1) NPLs are loans with payments that are overdue >90 days (figure does not include renegotiated loans)

2) Cost of risk is calculated as impairment allowance net charge (annualised) to average loan portfolio for the period

3) NPLs are calculated relative to the relevant loan product

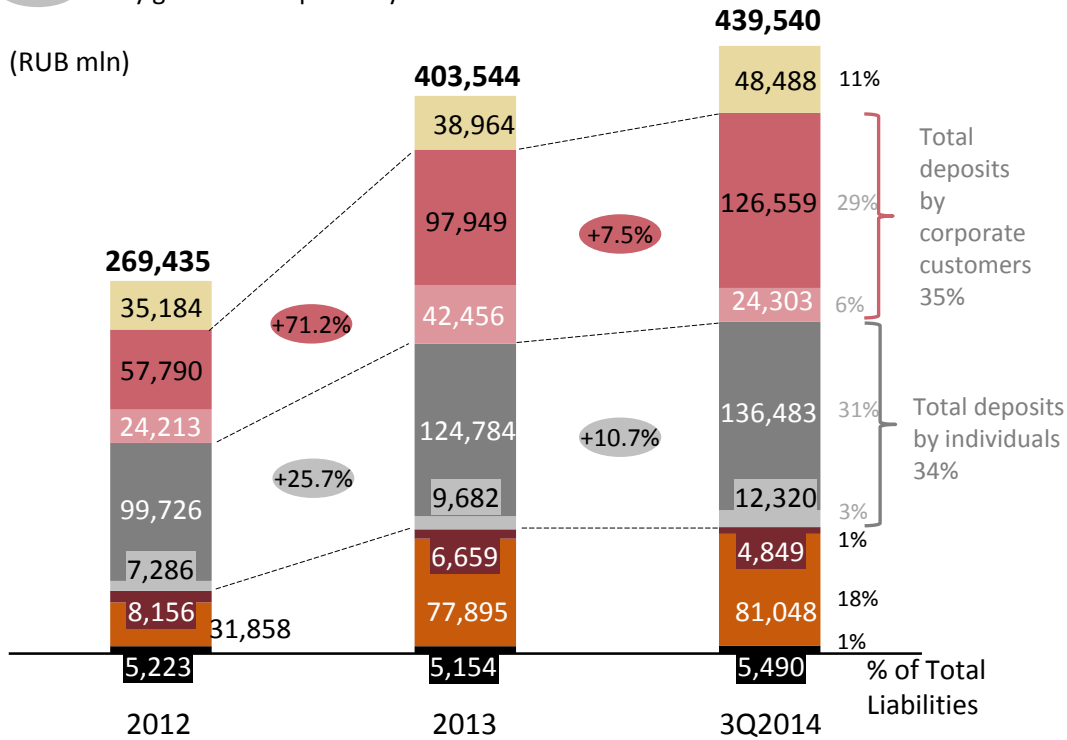
Well Balanced Funding Structure

Funding base¹

- Deposits by credit institutions
- Retail term deposits
- Bonds issued
- Corporate term deposits
- Retail demand deposits
- Other
- Corporate demand deposits
- Promissory notes issued

- Y-o-y growth of deposits by corporate customers
- Y-o-y growth of deposits by individuals

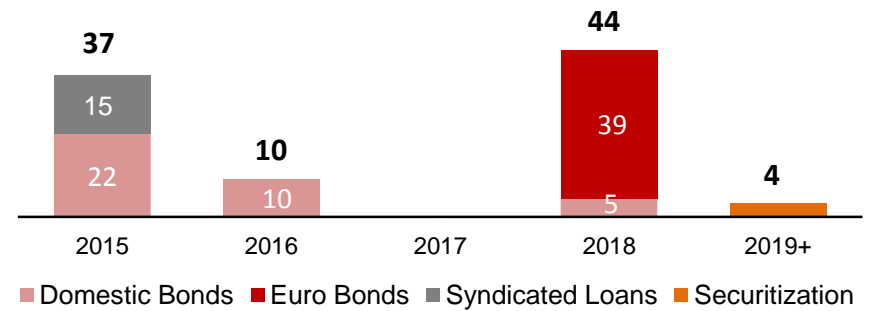
(RUB mln)



- Good diversification of funding base with significant share of customer deposits, which now represent 69% of total liabilities
- Deposits by individuals form stable funding source
- In July 2014, the Bank placed two 5-year domestic bond issues in the total amount of RUB 10 bln
- In August 2014, The Bank redeemed its 3-year Loan Participation Notes issue in the total amount of USD 200 mln

Debt Repayment Schedule²

(RUB Bn)



Source: IFRS financial statements

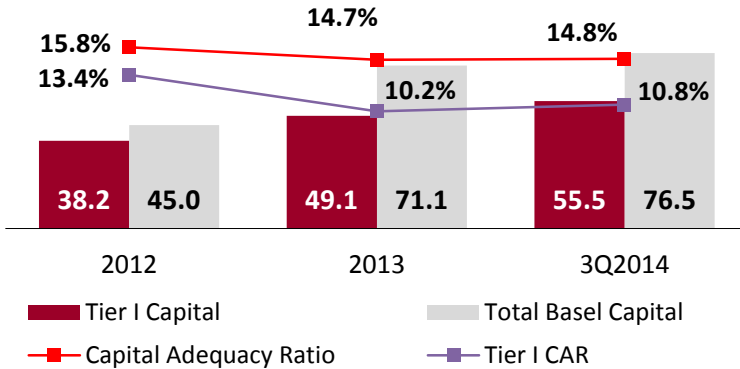
1) Equals to liabilities

2) Source: Company data, nominal values, CBR FX rates as of 30 September 2014

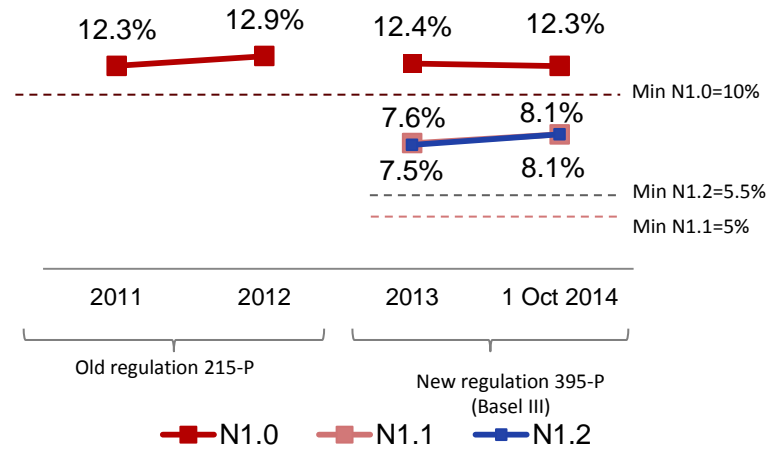
High Capital Position

IFRS Capital Adequacy Ratio ¹

(RUB bln)



RAS Capital Adequacy Ratios



Capital Injections Since 2010

- Subordinated loan from Black Sea Trade and Development Bank: US\$20 mln
- US\$500 mln subordinated Eurobond issue
- Other subordinated loans (domestic subordinated bond issues): RUB3.0 bln and RUB2.0 bln
- Tier I capital injections by the current shareholders in the amount of RUB17.6 bln

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Key Metrics of Financial Performance

| RUB, mln | 2012 | 2013 | 3Q2014 | 2013-3Q2014 Change, % |
|----------------------------|---------|---------|---------|-------------------------------|
| Total assets | 308,727 | 454,202 | 496,388 | +9.3% |
| Loans to customers (gross) | 205,933 | 317,860 | 371,680 | +16.9% |
| Total equity | 39,292 | 50,658 | 56,847 | +12.2% |
| NPL / Gross loans | 1.0% | 1.3% | 2.6% | - |
| Total provisions / NPL | 238.9% | 212.6% | 139.6% | - |
| Tier 1 Capital Ratio | 13.4% | 10.2% | 10.8% | - |
| Total CAR | 15.8% | 14.7% | 14.8% | - |
| RUB, mln | 9m2012 | 9m2013 | 9m2014 | 9m2013-9m2014 Change, % |
| Net interest income | 8,843 | 11,815 | 17,620 | +49.1% |
| Fee and commission income | 2,924 | 5,090 | 6,319 | +24.1% |
| Net income | 3,762 | 5,626 | 6,371 | +13.2% |
| NIM | 5.2% | 5.0% | 5.4% | - |
| RoAE | 16.8% | 17.6% | 15.8% | - |
| RoAA | 2.0% | 2.2% | 1.8% | - |
| Cost / Income | 41.2% | 33.0% | 31.1% | - |

Thank you

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